WORLD BANK NEWS

Volume XIII, No. 45 December 1, 1994

The World Bank Responds to AIDS

World AIDS Day is a time to reflect on the appalling toll that AIDS takes on people: the many lives cut short, the many families devastated. But more than 80 percent of those infected with AIDS live in the developing world, where poor people and poor governments are least able to withstand the epidemic. No institution concerned with development can afford to ignore the other costs of AIDS: the loss of human talent, the crippling demands on public health, the increasing poverty.

"The human cost is devastating, and obviously warrants more effort, more attention," says David de Ferranti, director of the Bank's Population, Health and Nutrition Department. "The Bank has also become increasingly aware of the financial costs to the individuals and communities affected, and of the economic costs to countries. As we look toward the expected spread of the disease, addressing these costs will be even more important."

The World Bank is the largest single source of external financing for AIDS programs in those developing countries, having lent about $600 million to some 50 AIDS/HIV projects in nearly 40 countries. It has been examining the costs of AIDS and how to make global AIDS strategy more effective.

The Other Costs of AIDS

- In Tanzania, the average rural family spends $60 in treatment and funeral expenses—roughly equivalent to the country's annual rural income per capita.
- In Thailand, a study shows that the annual health care costs for an AIDS patient was 10 times more than is currently spent by families on health.
- In Mexico, a study shows that the cost of treating one individual with AIDS is roughly $4,500,

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Excerpts from Bank Managing Director Sven Sandstrom's address to the Stockholm AIDS conference. **3**

Two Bank projects will help boost private investments in Pakistan's energy sector. **4**

Richard Frank named new Managing Director, succeeding Ernest Stern. **6**

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By 2000, 95 Percent of AIDS Sufferers Will Live in Developing Countries

AIDS, *from page 1*

equivalent to a year's salary for a medical doctor and more than three times the average minimum wage. More than 65 percent of such costs are met by the patient.

These are some of the many examples of the direct costs of AIDS on families. The epidemic is putting a growing burden on more and more aspects of life in Asia, Africa, Latin America and the Caribbean. By 2000, more than 95 percent of those infected will live in the developing world.

"This is an enormous threat to nations struggling to escape from years of negative growth," says Sven Sandstrom, a World Bank managing director, in his keynote address this week before the "AIDS and the World Conference" in Stockholm this week (see excerpts on p. 3). "The cost of AIDS to developing countries—already high—is potentially catastrophic."

But only about $200 million—about 10 percent—of the $1.5 billion in global expenditures on AIDS prevention is spent by the developed countries in the developing nations. "This imbalance is unacceptable," Sandstrom says, calling for increasing funds to fight AIDS while underlining the need to reevaluate the international strategy on AIDS. "We must make it a 'people' issue. Only by focusing on people will we break the current gridlock."

The Bank sees three steps as being particularly important to improving the global AIDS strategy:

- AIDS must become a policy priority;
- institutions must act as partners;
- people with AIDS must be more involved.

A Policy Priority

Government commitment—and actions on a broad front—are crucial. The compartmentalized way that global AIDS programs are handled tends to treat different aspects of the pandemic as a separate public health problem, an education issue, an economic problem, a moral or even a human rights issue.

"Not one single intervention will work on its own," says Sandstrom. "What we have not yet done well enough is draw on lessons from each of the approaches, in order to make our approach to AIDS more comprehensive and more effective."

A broad-based strategy is called for, ranging beyond the normal domain of health ministries. Integration is needed of AIDS-related work in schools, business, the military and other fora. Planners need to better understand the effects of macroeconomic policyon how they help or hinder poverty reduction, and how that affects people's vulnerability to HIV infection. And doing more to enhance the

See **AIDS**, *page 6*

The Economic Costs of AIDS

The World Bank and other donors are working with governments to count the costs of AIDS in an effort to mitigate the devastating effects of the disease and to plan for the future.

Some examples of AIDS' costs are:

• **Prevention**— According to 1993 estimates, Sub-Saharan Africa spends approximately $135 million a year on HIV prevention and on the prevention of other sexually-transmitted diseases.

WHO/L. Gibb

• **Medical care**—If all the people in Rwanda infected with AIDS sought medical care, 66 percent of total health expenditures would go toward treating the illness. At present, 31 percent of total health spending and public health spending in the country goes for treating AIDS.

Indirect costs from lost earnings due to premature illness or death and from losses of skilled labor:

• As many as 10 percent of the Uganda Railway Corporation's 5,600 employees have succumbed to AIDS over the past few years—a labor turnover of 15 percent per year.

• A study of Thailand estimates that, through the year 2000, the cost of replacing long-haul truck drivers lost to AIDS will be $8 million. Overall, up to 4.2 percent of Thailand's adult work force could be suffering from AIDS.

READEX

SPEECHES

"The Cost of AIDS...is Potentially Catastrophic"

World Bank Managing Director Sven Sandstrom delivered the keynote address to the AIDS in the World Conference *in Stockholm on November 28. Below are excerpts from his address,* AIDS and Development: A Shared Concern, A Shared Vision.

The continued virulence of this disease sheds a glaring light on the failure of the "partial paradigms" used thus far to combat it. Sometimes we have taken a health approach, or an education approach, or an economic approach; sometimes we have made it a moral, or even a political issue. But what we have not yet done well enough is draw on the lessons from each of these to make our approach to AIDS more comprehensive and more effective—to make it a "people" issue. Only by focusing on people—their complex needs under complex circumstances—will we break the current strategic gridlock.

I would like to suggest today that we need to reevaluate—and perhaps redesign—the international strategy on AIDS. I do not want to suggest, however, that the World Bank has all the answers. My point is rather that we all need to search harder for ways to take us beyond our "partial paradigms"—and towards more effective global action. Like all diseases, the incidence of AIDS will eventually level off; but the point at which it levels off will vary widely from country to country. Obviously, we would want it to level off everywhere at the lowest point possible. Achieving that is going to require a much greater—and much more effective—effort from us all.

How is AIDS affecting the four-fifths of mankind who live in the developing countries? In 1990, over 80 percent of those infected with HIV lived in the developing world. This will increase to an estimated 95 percent by the year 2000. In Thailand, 1 in 50 adults is HIV-positive—with an estimated 2.5 million people infected in Asia as a whole. Another 1.5 million are estimated to be infected in Latin America. This compares with about half-a-million infections in Europe and 800,000 in North America.

At this point, the worst-affected countries are in Sub-Saharan Africa. Although that region has only a tenth of the world's population, it has two-thirds of all carriers of HIV. Seventy-five percent of those people have still to develop full-blown AIDS—which implies that the region's case-load will at least triple. Brazil, Haiti, India and Thailand—to take some other examples—are facing a similar scenario. We already know that by the year 2000 the majority of infections will take place in Asia.

M. Iannacci

Sven Sandstrom

The cost of AIDS to the developing countries—already high—is potentially catastrophic. And let me take this opportunity to dispel one popular—and dangerous—misconception: the increasing cost of AIDS will not be mitigated by decreasing population growth. Populations will continue to grow significantly. Even in those countries where population growth will be reduced because of AIDS, the quality of peoples' lives will not improve because of the age group that it strikes and the devastation it leaves behind. For all of Sub-Saharan Africa, the population growth rate is projected to be reduced by no more than 0.15 percent over the next decade because of AIDS. Even in the worst-affected countries such as Uganda and Tanzania—where HIV prevalence could reach as high as 30 percent of adults—the population growth rate is projected to be reduced by no more than 0.5 percent.

It is very difficult to quantify all the economic costs of AIDS. How do we measure the loss of skilled workers at the peak of their productivity and earning power? In addition, there is the heavy cost of treating AIDS and the resources that diverts from other priority investments. Per capita incomes in the worst-affected countries could potentially suffer by more than half a percentage point per year. This may seem small; but in some countries this can be as much as 50 percent of their

WHO/J.&P. Hubley

Posting good advice.

See CONFERENCE, *page 4*

AIDS Is Making the Poorest People Poorer

CONFERENCE, *from page 3*

annual per capita income growth. Moreover, given that a billion people in the developing world live on about a dollar a day, this relatively small decline in income can translate into a substantial worsening of living standards for large numbers of the world's poor.

The cost of AIDS for people and nations, however, goes well beyond economics. In some countries, the disease is beginning to reverse long-term increases in life expectancy and decreases in child mortality. Developing countries have also found their health systems over-burdened by the cost of treating AIDS—projected to exceed $1 billion a year by the end of this decade. In Kenya, up to 40 percent of hospital beds are already occupied by HIV-positive patients. Costly cases of AIDS-related infections—tuberculosis, for example—are rising dramatically.

There are costs to agriculture—which still dominates most developing-country economies and provides most people with their livelihood. The FAO's most recent report says that AIDS has joined drought, locusts and civil wars in threatening Africa's food supply—largely because of losses in the agricultural work force.

Ultimately, it is the human cost of AIDS that is the heaviest to bear. Dr. Roland Msiska, the head of the National AIDS Control Program in Zambia—one of the countries most affected by HIV—captured the mood of desolation among an increasing number of communities in the developing world. "In Zambia," he told the Yokohama Conference, "our social life is now limited to visits to hospitals, funeral homes, and cemeteries."

What would it cost the international community to fight AIDS more effectively in the developing countries? According to the WHO, a comprehensive AIDS prevention program in the developing countries would cost up to $3 billion a year. This would yield enormous benefits—some 10 million HIV infections could be averted between now and the end of the decade. Current annual global expenditure on AIDS prevention is about $1.5 billion. But only slightly above 10 percent of that amount is spent by developed countries in the developing world—although, as I said, about 80 percent of all infections occur there. This imbalance is unacceptable.

We must recognize that every nation has a responsibility to deal with the pandemic. But further, the developed world has a responsibility to recognize what is happening in many of the world's poorest countries: AIDS is striking not only at their economies, and health systems, and agricultural sectors—but at the very core of development itself. The question before the international community today, therefore, is not whether we can afford to increase our financial commitments to AIDS prevention and control—but whether we can afford not to increase them.□

LENDING

Private Power in Pakistan

Pakistan, despite several years of effort to reform its power systems, continues to suffer serious energy shortages that affect both household and commercial users. Problems and inefficiencies in its energy sector prompted the government last March to launch an even more aggressive reform program, one that calls for more reliance on the private sector and market forces to streamline the system.

Now, two World Bank operations approved November 29 will help Pakistan attract more private sector participation—and financing—for major energy development projects in the country:

- One is a loan of $250 million to help replenish a special fund for private sector energy projects, and related infrastructure. The replenished Private Sector Energy Development Fund will allow private sector entities to obtain long-term loans for projects such as the Hub power plant, an oil-fired plant now under construction northwest of Karachi.
- The second is a partial-risk guarantee of up to $240 million of a commercial syndicated bank loan to the Hub Power Company. The guarantee comes under the Bank's Expanded Cofinancing Operation (ECO)—the first such operation in Pakistan—and will make it possible for the project to mobilize funds from the international capital markets on favorable terms. Negotiation of an ECO guarantee was authorized by the Bank in 1991.

In September, 1994, the Bank's board approved wider use of Bank guarantees as a normal business tool—to be used like its traditional lending instruments—extending beyond their use only as a cofinancing tool. The "mainstreamed" use of guarantees includes new features designed to give comfort to investors regarding government regulatory and performance risks, while leaving the commercial risk entirely with the investor. The partial risk guarantee for the Hub project is a pioneering example of this new type of operation.

Pakistan's Private Sector Energy Fund was originally established in 1988 with help from a World Bank loan of $150 million. Now managed for the government by Pakistan's National Development Finance Corporation, the Fund will be restructured into an autonomous long-term credit fund that will provide financing for private sector infrastructure development. □

Development Agenda

Date	Event	Sponsor	Location	Telephone
DECEMBER				
1	AIDS Summit	French Gov't/WHO	Paris	(202)861-3200*
7	Kyrgyz Republic Investors' Meeting	World Bank	Paris	(33-1)4069-3016
7-9	Colloquium: Education, Training, Employment: What Strategies for Africa?	Government of Benin/ACCT/ French Ministry of Cooperation	Cotonou, Benin	(33-1)4253-7209
8-9	Zambia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
12-13	Malawi Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
12-15	Pan African Colloquium: Educational Innovation in Post-Colonial Africa	Project for the Study of Alternative Education in South Africa	Cape Town, South Africa	(2721)650 3589
15-16	Conference: Corporate Governance in Central Europe and Russia	World Bank/Central European University Privatization Project	Washington	(202) 458-5480*
15-16	Kenya Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
19-20	Eritrea Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
JANUARY 1995				
5-6	Annual Agricultural Symposium	World Bank	Washington	(202)473-0378*
16-20	Colloquium: The African University in the 1990s and Beyond	Association of African Universities/Donors to African Education	Lesotho	(33-1)4503-3796

List your event. If you know of an upcoming event of interest to development journalists, we invite you to submit it to the *World Bank News* Development Agenda. At least five weeks in advance, inform us in writing of the event, its sponsor, time, place and a contact phone number. We will list events based on appropriateness and space available. Write to us at: *World Bank News*, Development Agenda, 1818 H St., N.W., Room T-8036, Washington, D.C. 20433. Or on the Internet at: wbnews@worldbank.org.

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

AIDS Fight Must Be Broadened, Integrated

AIDS, *from page 2*

role of women is critical to a range of development issues, including fighting AIDS.

Strengthening Partnerships

International organizations—including the Bank—have begun to collaborate more closely through the establishment of a new United Nations program, the Joint and Cosponsored Program on HIV/AIDS. To be effective, each agency and non-governmental organization (NGO) must act according to its comparative advantage and be selective about its contribution.

Greater Participation of Those With AIDS

The 17 million people who have been infected with HIV have been overlooked as a resource in the struggle against AIDS. Instead , the focus has been on the 5 billion people who are not infected. But people with AIDS can have the greatest impact in ensuring that more people do not contract the disease.

For more information on AIDS and the World Bank, contact Klas Bergman at (202) 473-3798. □

ANNOUNCEMENTS

New Managing Director for World Bank Appointed

Richard Frank has been appointed to the position of Managing Director, Bank President Lewis Preston announced this week. Frank will succeed Ernest Stern.

Frank, a U.S. national, joined the Bank in 1970 and is presently Vice President, Finance and Planning of the International Finance Corporation. In his present position, Frank has helped establish the strategic direction of IFC during a period of dramatic expansion in the scope and level of the corporation's activities.

Before moving to the IFC in 1979, Frank served the Bank in several positions of increasing responsibility in agriculture development.

His appointment will be effective February 1, 1995.□

Donors Back Aremenia's Reform Plan

International donors—expressing strong support for Armenia's reform efforts—went a long way toward meeting the country's external financing needs with $265 million in pledged assistance for 1995. The promised support came during a November 22 meeting of the Bank-sponsored Consultative Group for Armenia at the Bank's Paris headquarters.

Armenian Prime Minister Hrant Bagratian described for delegates the "economic breakthrough" that has accompanied restored peace and stability in the region: Armenia has managed to halt its declining output, decrease inflation and stabilize the exchange rate. Trade has been liberalized, privatization is accelerating and new private enterprises are emerging rapidly. Subsidies to enterprises have been sharply cut, and reform of the financial sector is underway. The government is enhancing the efficiency of its expenditures, particularly through modern public investment programming techniques.

Additionally, Bagratian emphasized that protecting vulnerable people during the transition period—particularly children, the elderly, low-paid worker and the unemployed—remains a high priority of the government. The social benefits system will be strengthened, and in the near term, those groups will be compensated for the removal of consumer subsidies, particularly on bread.

Donors commended the government's success in attaining macroeconomic stability in such difficult circumstances, and said Armenia's reform program merited strong international support. The pledged assistance came from France, Germany, Italy, Japan, the Netherlands, Russia, the EuropeanBank for Reconstruction and Development, the World Bank and the IMF.

WORLD BANK NEWS

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The World Bank Group is the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IBRD is the main lending arm of the World Bank. IDA is the World Bank affiliate that lends on concessional terms to the poorest countries. IFC finances private sector projects and advises businesses and governments on investment issues. MIGA promotes foreign direct investment through guarantees, policy advice, and promotional services.

WORLD BANK NEWS

Volume XIII, No. 46 December 8, 1994

REPORTS

Conserving the Middle East

Bank Strategy Details Environmental Action

The World Bank this week called for immediate action to confront the environmental crisis in the Arab world and said it would consider increasing its regional lending for environment projects to $1 billion annually.

About 60 million people have no access to safe water in the Arab world and nine Arab countries are consuming more than 100 percent of their renewable water supplies, World Bank figures show. More than 45 million live in cities with unacceptable air pollution levels.

"When roughly one in every four people in the Arab world lacks access to safe water and one in every five is living in cities with unacceptable levels of air pollution, we are talking about a looming water and air pollution crisis," said Caio Koch-Weser, vice president of the Bank's Middle East and North Africa Region, in an address at the 6th annual Council of Arab Ministers Responsible for the Environment meeting in Cairo this week. "The good news is that strategies are available for dealing with the crisis, at costs that can be met."

World Bank

Getting in touch with scarce resources.

The environment strategy , detailed in a 78-page report entitled *Middle East and North Africa Environmental Strategy: Towards Sustainable Development*, emphasizes actions on water, land, air, and energy. It also assesses the costs of such measures and suggests ways of financing them.

Individual governments would need to take the lead to develop their own country-specific programs to use natural resources wisely and arrest environmental degradation, Koch-Weser said. Noting that the region's severe shortage of natural resources and its pollution problems are the main obstacles to sustainable growth, he also outlined the Bank's view

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A health project in India's state of Andhra Pradesh will improve care for some of the poorest residents. **3**

A new Bank study confirms the strong links between population, agriculture and environmental problems in Sub-.Saharan Africa. **4**

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Bank Plans More Environmental Lending to Middle East Countries

ENVIRONMENT, *from page 1*

of an environment strategy to balance the region's development needs with the serious environmental challenges it faces.

"Assuming that appropriate policies are in place, the World Bank will be increasing its current annual lending to the region by more than 100 percent to $1 billion a year to support Arab states' attempts to contain the environment crisis," Koch-Weser said. Since 1991, the Bank has provided over $1.8 billion in loans for regional projects with environment components.

Bank regional lending for such projects has gone to water supply and environmental investments, energy and transport, institution building, agriculture and natural resource management and pollution control. The Bank is considering boosting lending to all those sectors to $3 billion over the next three years.

In a call for urgent action, Koch Weser urged Arab countries to review their existing environmental strategies and set immediate priorities on institutional building, as well as on providing incentives, investments, and information for fighting natural resource scarcity and pollution. Incentives for pollution control, including phasing out subsidies and introducing pollution charges, should be put in effect. Investments, he said, should be targeted toward making water safe for consumption and for many "hot spots" requiring clean-up. And increasing information among ordinary citizens of the need for water, soil, and energy conservation is crucial to encourage consumer participation in solving environmental problems.

Managing Natural Resources

Less than seven percent of the region's land is arable, making land one of the scarcest natural resources in Arab states. Land degradation from soil erosion and deforestation has worsened the situation, which is particularly severe in the Maghreb countries, according to the report.

Water shortage is perhaps the best known constraint to future economic growth in the region, with Arab states accounting for only one percent of the world's total available water. Moreover, as Arab countries deplete their renewable water sources, much of it is deteriorating in quality as urban and industrial pollution increases, the report indicates.

Power shortages throughout the Arab world are notoriously frequent. Electricity scarcity, the report says, is largely caused by inefficient use, due in part to electricity subsidies of $10 billion a year. The highly polluting sector is also estimated to contribute up to 40 percent of sulfur dioxide emissions and much of nitrogen oxide and suspended particulates emissions.

A range of remedies is proposed in the environment strategy to confront the region's severe land, water, and power scarcity, including new incentives for conservation and efficient use, supported by investments and effective public information campaigns.

With respect to land use, the concept of food self-sufficiency should be abandoned in favor of agriculture based on high value crops. Investment in efficient

See top of next page

How Bad is the Middle East Environment?

About 45 million Arabs now live in cities with levels of air pollution higher than World Health Organization guidelines and, in nine Arab countries, water consumption levels outpace renewable water supplies, according to the World Bank report, *Middle East and North Africa Environmental Strategy: Towards Sustainable Development*. Another 95 million Arabs lack safe sanitation. Meanwhile, thousands of hectares of land are being lost to desertification each year.

Within the next 10 years, the environment problems will worsen, the report predicts, as the total population of Arab states grows from about 240 million to over 320 million and as urbanization increases, placing further stress on already scarce water supplies. About 115 million will be living in cities with unacceptable air pollution levels. Rural populations will grow by about 12 million people, accelerating the pressure on arable land —which makes up no more than seven percent of total land surface in the region today.

Urban population is expected to increase by nearly 70 million by the year 2005, putting huge new burdens on already overstretched urban services, the report says. The combination of urban and industrial growth will massively increase associated pollution caused by lead, sulfur dioxide, and suspended particulates.

Air pollution from vehicles alone is expected to jump by more than 60 percent, while toxic pollution and municipal solid waste will grow 50 percent, the report says, with resulting health costs expected to double. Taken together, these problems will jeopardize the region's overall prospects for economic and social development, with the impact of the crisis falling most heavily on the poor.

Conservative preliminary estimates show water and air pollution, together with land degradation, are now costing Arab states more than $10 billion a year or about 3% of GDP, the report estimates. "The health costs of pollution-related diseases alone account for well over half of that total."

from previous page

technologies, such as drip irrigation, is vital, as is opening up markets for agricultural products and exporting foods.

Water shortage, too, can be managed through a combination of incentives, investments and information dissemination, the report says. Investments in water recycling, new technologies, and efficiency improvements are called for, as is increasing water prices to encourage water conservation and mobilize financial resources.

Removing subsidies on energy, fertilizers, pesticides and other agro-chemicals is considered an essential management approach. Current subsidies on water and energy amount to at least $25 billion a year and need to be phased out.

Arresting pollution

The estimated health cost of pollution-induced water-borne and respiratory diseases in the region runs to the billions of dollars each year. The result of increasing urbanization in the region is evident in many ways. The area's water quality degradation reflects agricultural runoffs contaminated by fertilizers and pesticides, and the dumping of industrial waste in rivers. Solid waste dumps and landfills also pollute groundwater through seepage of contaminants into the soil. Industrial pollution is of particular concern, with "dirty" industries among public enterprises in one Arab country accounting for about 86% of pollution, the report says.

Steps to arrest water and air pollution should include a mix of investments and incentives, supported by strong institutional, legal and regulatory frameworks, the report says. Together with effective information campaigns, they would be aimed at promoting clean industrial growth, cleaning up pollution "hot spots" and ensuring the use of low polluting energy resources. The report identifies about 30 "hot spots" where the pollution problems are the most severe and where action needs to be focussed. □

LENDING

Boosting Health Care for India's Poor

In India's state of Andhra Pradesh—where most of the 70-million population lives in rural areas—communicable diseases are endemic, maternal and child mortality are high and preventable deaths and illnesses extract a heavy toll on the poorer segment of society. The state's weak and inefficient system needs to be strengthened if it is to deliver adequate care today and meet the increasing burden of disease in the future.

Now, the Andhra Pradesh First Referral Health System Project, funded by a $133 million International Development Association (IDA) credit, will help the state improve both the efficiency and performance of the existing health system. The project, approved December 1, seeks to better the health of the state's inhabitants, particularly the poor, and upon completion in the year 2001, is expected to benefit about 14 million outpatients and inpatients annually.

About 10 or 12 states want to follow the lead of Andhra Pradesh.
—Tawhid Nawaz

The major part of the credit will be used to improve the service and access to the 21 district, 49 area and 80 community hospitals. Funds will enhance staff skills, upgrade outpatient and inpatient service, and enhance clinical and support services. The project will also address the imbalance of the three levels of health care and help ensure adequate supplies of drugs and supplies. Focus will be on the poor and underserved, with special emphasis on women and tribal communities. In the long run, reducing mortality and illness will have a direct impact on increasing the earning capacity of the poor. And the project could serve as a model for other states.

"One stand-out aspect of this project is its flexibility," says Tawhid Nawaz, a senior economist in the Bank's South Asia region and the project's task manager. "It's designed so it can be replicated in other states. It's generated a lot of discussion at the state level in India for reform of state health system along similar lines. About 10 or 12 states want to follow the lead of Andhra Pradesh."

In many ways, Andhra Pradesh's health profile is representative of that of India, where the public health system is three-tiered. At the bottom are primary health care facilities for basic health services; in the middle are first referrals or secondary hospitals providing inpatient and outpatient care, and at the top are tertiary hospitals equipped to give specialized treatment.

The Bank has already participated in four completed population, health and nutrition projects in India. Though these have had generally positive outcomes, they have suffered from a variety of implementation problems ranging from

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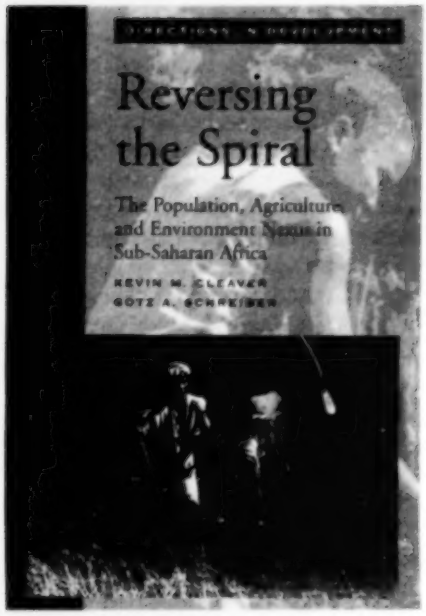
Embassy of India

Better health from the start.

Turning Around Africa's Decline


Reversing the Spiral
The Population, Agriculture and Environment Nexus in Sub-Saharan Africa
KEVIN M. CLEAVER
GOTZ A. SCHREIBER

Over the past 30 years, most of Sub-Saharan Africa has seen rapid population growth, sluggish agricultural performance and increasing environmental degradation. Are these disturbing trends connected?

A new World Bank study, confirms that they are. Africa's population, agriculture and environmental problems are strongly linked in a complex nexus that hinders development and threatens the region's food security, health and natural resources. And just as the problems are connected, their solutions need to be integrated and mutually reinforcing, the study, *Reversing the Spiral: the Population, Agriculture, and the Environment Nexus in Sub-Saharan Africa.*

"There are indeed very strong and very many links between these sets of problems," says Gotz Schreiber, a principal economist in the Bank's Africa Region and one of the authors of the report. "Obviously we have to look at these things in a more holistic way."

Agriculture is the main link between people and their environment. In Africa particularly, the population overwhelmingly depends on farming to make a living from available natural resources such as soil, water and biological resources. But as population density has grown, many traditional techniques—crop and livestock production methods, land tenure and land use arrangements, even traditional gender roles in rural production and household maintenance—are causing increasing harm to the resources. And as resources are degraded, agricultural development and food security are further imperiled, the transition to lower human fertility and population growth rates is delayed, more resources are needed, and so on in downward spiral.

Past efforts to reverse the direction of the spiral have failed, in part, because they focused too narrowly along sectoral lines while essentially ignoring the elements that link the sectors, the report says. Instead, agricultural specialists must take environmental and demographic concerns into account, and vice versa.

"It's a different conceptual and planning approach," Schreiber says. "We have to make these things reinforce each other positively just as they have reinforced each other negatively in the past."

Journalists may obtain a copy of *Reversing the Spiral* by writing on company letterhead to: Marketing Department, The World Bank, 1818 H St., N.W., Washington, D.C. , 20433.□

The Three Parts of the Nexus

Population: Unlike other regions, fertility rates in Sub-Saharan Africa have not fallen; in the region as a whole, women have on average about 6.5 children each. As life expectancy has climbed, population growth has accelerated to about three percent a year. Only a few countries seem to have reached a critical demographic turning point.

Agriculture: While population has grown rapidly, agricultural production has increased very slowly in most countries; in some cases, it has stagnated at low levels. The gap between the amount of food needed and the amount produced has been widening, and the average African eats only 87 percent of the calories needed for healthy living.

Environmental Degradation: The region's forests, estimated at almost 700 million hectares in 1980, have been diminishing at a rate of about 3.7 million hectares a year. Deforestation has broad consequences for rainfall, farming, wildlife and biodiversity.

Development Agenda

Date	Event	Sponsor	Location	Telephone
DECEMBER				
8-9	Zambia Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
12-13	Malawi Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
12-15	Pan African Colloquim: Educational Innovation in Post-Colonial Africa	Project for the Study of Alternative Education in South Africa	Cape Town, South Africa	(2721)650 3589
15-16	Conference: Corporate Governance in Central Europe and Russia	World Bank/Central European University Privatization Project	Washington	(202) 458-5480*
15-16	Kenya Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
19-20	Eritrea Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
JANUARY 1995				
5-6	Annual Agricultural Symposium	World Bank	Washington	(202)473-0378*
16-18	International Development Conference	International Development Conference /Society for International Development	Washington	(703)642-3628*
16-20	Colloquium: The African University in the 1990s and Beyond	Association of African Universities/Donors to African Education	Lesotho	(33-1)4503-3796
26-27	Conference: The Uruguay Round and the Developing Economies	World Bank	Washington	(202)473-1784*

List your event. If you know of an upcoming event of interest to development journalists, we invite you to submit it to the *World Bank News* Development Agenda. At least five weeks in advance, inform us in writing of the event, its sponsor, time, place and a contact phone number. We will list events based on appropriateness and space available. Write us at: *World Bank News*, Development Agenda, 1818 H St., N.W., Room T-8036, Washington, D.C. 20433. Or on the Internet at: wbnews@worldbank.org.

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

Weekly Lending Roundup

Algeria The earthquake that struck Algeria's Mascara Province last August 18 was devastating. 10,000 people lost their homes, almost 500 were killed or injured and damage was estimated at $128 million. To help Algeria rebuild, the Bank approved a $51 million loan on December 1. The project will help reconstruct and repair schools, housing, health centers, water supply and other infrastructure. It will also help begin an earthquake hazard reduction program, including building code revisions and a public awareness campaign.

Cambodia The government of Cambodia is moving to stabilize its economy and shift to a market-based system. A new $17 million credit approved December 6 by the International Development Association will provide the country with extensive specialized advice. The project's primary focus will be on improving public sector management, including expenditure control and management of investment, debt and personnel. A second component will help boost private sector development in Cambodia.

Central African Republic A $16.6 million credit from the International Development Association will help reduce poverty among livestock herders in the Central African Republic. The broad ranging project, approved December 1, will improve livestock productivity through better health services and better range management, and help the poorest herders through matching grants and a mutual savings and loan system. Policy reforms will ensure more grassroots involvement, targeted assistance for women and greater protection for CAR's wildlife management areas.

Latvia Latvia, located on the eastern edge of the Baltic Sea, has a coastline marked by smooth beaches, sandstone cliffs and ecologically valuable wetlands. But pollution from wastewater discharge in two coastal cities threatens local environmental resources. A $4 million World Bank loan approved December 6 will help reduce discharge of untreated and partially treated wastewater and promote environmentally sustainable development around the cities of Liepaja and Ventspils.

Washington Press Advisory

Journalists are invited to a World Bank conference on Corporate Governance in Central Europe and Russia on December 15-16. The conference, jointly sponsored by the Bank and the Central European University Privatization Project, will explore the effects of different modes of privatization, ownership structures, and corporate governance arrangements in the region.

The conference will be December 15-16 at the World Bank's Washington headquarters, "H" Auditorium, 1914 G St., NW. For more information call Lawrence MacDonald at (202) 473-7465 or Jan Pakulski at (202) 473-1797.

India Project Provides Health Basics

INDIA, *from page 3*

late start-up and poor procurement to poor maintenance of building and equipment. The latest IDA credit takes these problem areas into account.

"Primary health care can't function appropriately without support of the first referral level," says Nawaz. "For example, a mother with a complicated delivery may need a C-section or blood transfusion, which is not available in peripheral or rural areas in India. Mothers are dying because of the lack of access and availability of essential obstetrics care all over India. The project will play a part in addressing such cases in Andhra Pradesh." □

WORLD BANK NEWS

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